

HOUSE BILL 1313

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2004 Regular Session
4lr2363
CF 4lr2364

By: **Delegates Gaines, Hubbard, Benson, Brown, Conroy, D. Davis, Frush,
Griffith, Healey, Holmes, Howard, Kelley, Menes, Moe, Niemann, Parker,
Patterson, Ramirez, Ross, Vallario, and Vaughn**

Introduced and read first time: February 13, 2004
Assigned to: Health and Government Operations and Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: April 5, 2004

CHAPTER _____

1 AN ACT concerning

2 **Distressed Hospital Reform Act of 2004**
3 **Task Force to Study Physician Reimbursement at Maryland Hospitals**

4 ~~FOR the purpose of altering the institutions that may apply for the Statewide~~
5 ~~Academic Health Center Public Health Grant to include the Prince George's~~
6 ~~Hospital Center; requiring the Statewide Academic Health Center Public Health~~
7 ~~Grant to provide a specified grant amount to the Prince George's Hospital~~
8 ~~Center; establishing a Disproportionate Share Hospital Payment Program and a~~
9 ~~Distressed Healthcare Facility Grant Program in the Department of Health and~~
10 ~~Mental Hygiene; establishing the purpose of and requirements for the~~
11 ~~Programs; requiring the Secretary to adopt certain regulations; requiring the~~
12 ~~Governor to provide certain amounts in the budget of the Department;~~
13 ~~authorizing money in the Maryland Emergency Medical System Operations~~
14 ~~Fund to be used for the Prince George's Hospital Regional Trauma Center;~~
15 ~~defining certain terms; providing for the termination of certain provisions of this~~
16 ~~Act; and generally relating to the Distressed Hospital Reform Act of 2004.~~

17 FOR the purpose of establishing a Task Force to Study Physician Reimbursement at
18 Maryland Hospitals; specifying the membership of the Task Force; requiring the
19 Task Force to conduct a certain study and make certain recommendations;
20 requiring the Task Force to issue a report in a certain manner on or before a
21 certain date; providing for the termination of this Act; and generally relating to
22 the Task Force to Study Physician Reimbursement at Maryland Hospitals.

23 ~~BY repealing and reenacting, with amendments,~~
24 ~~Article — Health — General~~

1 Section 13-1115(a)
 2 Annotated Code of Maryland
 3 (2000 Replacement Volume and 2003 Supplement)

4 ~~BY adding to~~
 5 ~~Article Health General~~
 6 ~~Section 19-2101 and 19-2102 to be under the new subtitle "Subtitle~~
 7 ~~21. Disproportionate Share Hospital Payment Program"; and 19-2201 and~~
 8 ~~19-2202 to be under the new subtitle "Subtitle 22. Distressed Healthcare~~
 9 ~~Facility Grant Program"~~
 10 ~~Annotated Code of Maryland~~
 11 ~~(2000 Replacement Volume and 2003 Supplement)~~

12 ~~BY repealing and reenacting, with amendments,~~
 13 ~~Article Transportation~~
 14 ~~Section 13-955(e)~~
 15 ~~Annotated Code of Maryland~~
 16 ~~(2002 Replacement Volume and 2003 Supplement)~~

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 18 MARYLAND, That the Laws of Maryland read as follows:

19 **~~Article Health General~~**

20 ~~13-1115.~~

21 (a) (1) ~~Subject to the other provisions of this section, the University of~~
 22 ~~Maryland Medical Group, [and] the Johns Hopkins Institutions, AND THE PRINCE~~
 23 ~~GEORGE'S HOSPITAL CENTER may each apply for a Statewide Academic Health~~
 24 ~~Center Public Health Grant.~~

25 (2) ~~The amount of each Statewide Academic Health Center Public~~
 26 ~~Health Grant that is distributed to the University of Maryland Medical Group, [or]~~
 27 ~~the Johns Hopkins Institutions, OR THE PRINCE GEORGE'S HOSPITAL CENTER,~~
 28 ~~respectively, shall be equal to the sum of:~~

29 (i) ~~\$2,000,000; and~~

30 (ii) ~~One half of any money that is transferred from the Local Public~~
 31 ~~Health Component to the Statewide Academic Health Center Component under §~~
 32 ~~13-1108(e) of this subtitle.~~

33 ~~SUBTITLE 21. DISPROPORTIONATE SHARE HOSPITAL PAYMENT PROGRAM.~~

34 ~~19-2101.~~

35 (A) (1) ~~IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~
 36 ~~INDICATED.~~

1 ~~49-2202.~~

2 ~~(A) THE PROGRAM SHALL PROVIDE A GRANT OF \$5 MILLION ANNUALLY TO A~~
3 ~~HEALTHCARE FACILITY THAT MEETS THE ELIGIBILITY REQUIREMENTS OF THE~~
4 ~~PROGRAM.~~

5 ~~(B) A GRANT FROM THE PROGRAM MAY ONLY BE USED TO SUPPORT ONGOING~~
6 ~~OPERATING EXPENSES ASSOCIATED WITH THE HEALTH CARE MISSION OF THE~~
7 ~~HEALTHCARE FACILITY.~~

8 ~~(C) THE SECRETARY SHALL ADOPT REGULATIONS THAT SPECIFY THE~~
9 ~~INFORMATION THAT A HEALTHCARE FACILITY MUST SUBMIT TO RECEIVE A GRANT~~
10 ~~UNDER THE PROGRAM.~~

11 ~~(D) THE GOVERNOR SHALL PROVIDE SUFFICIENT FUNDS IN THE~~
12 ~~DEPARTMENT'S BUDGET TO COVER THE COSTS OF THE PROGRAM.~~

13 (a) There is a Task Force to Study Physician Reimbursement at Maryland
14 Hospitals.

15 (b) The Task Force consists of the following members:

16 (1) three members of the Senate of Maryland, appointed by the President
17 of the Senate, including one member from each of the following:

18 (i) the Budget and Taxation Committee;

19 (ii) the Education, Health, and Environmental Affairs Committee;
20 and

21 (iii) the Finance Committee;

22 (2) three members of the House of Delegates, appointed by the Speaker
23 of the House, including one member from each of the following:

24 (i) the Appropriations Committee;

25 (ii) the Health and Government Operations Committee; and

26 (iii) the Ways and Means Committee;

27 (3) the Secretary of the Department of Health and Mental Hygiene, or
28 the Secretary's designee;

29 (4) the Secretary of the Department of Budget and Management, or the
30 Secretary's designee;

31 (5) four additional members appointed by the Governor, including:

32 (i) one representative of the Maryland Association of Counties;

- 1 (ii) one representative of the Maryland Hospital Association;
2 (iii) one representative of the Maryland Association of County
3 Health Officers; and
4 (iv) one representative of the Medical and Chirurgical Association of
5 Maryland.

6 (c) The Governor shall appoint an additional member who shall be the
7 chairman of the Task Force.

8 (d) In making appointments to the Task Force, the Governor and the presiding
9 officers shall ensure that the Task Force is representative of the geographic regions of
10 the State.

11 (e) The Task Force shall study:

12 (1) the problems associated with physician reimbursement at Maryland
13 hospitals, including differences in the level of Medicaid reimbursement for physician
14 services provided at academic health centers versus the Medicaid reimbursement for
15 physician services provided at community hospitals;

16 (2) the inadequacy of Medicaid payments to cover all nonphysician and
17 physician expenses;

18 (3) the trends in declining volume of uncompensated care provided by
19 physicians and the subsequent financial impact on health care institutions; and

20 (4) any structural deficiencies of the Medicare Waiver and the
21 subsequent financial impact on health care institutions.

22 (f) The Task Force shall recommend:

23 (1) one or more specific options for addressing the findings of its study;
24 and

25 (2) sources of funds for each option recommended.

26 (g) The Task Force shall report on its findings and recommendations to the
27 Governor and, in accordance with § 2-1246 of the State Government Article, to the
28 General Assembly, on or before January 2, 2005.

29 SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect July 1, 2004. ~~Section 2 of this~~ This Act shall remain effective for a period of ~~5~~
31 ~~years~~ 1 year and, at the end of June 30, ~~2009~~ 2005, with no further action required by
32 the General Assembly, ~~Section 2 of this~~ Act shall be abrogated and of no further force
33 and effect.

